

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: QWEST CORPORATION	DOCKET NO. TF-02-202
---------------------------------	----------------------

ORDER APPROVING TARIFF

(Issued June 7, 2002)

On May 16, 2002, Qwest Corporation (Qwest) filed a proposed tariff, identified as Docket No. TF-02-202, with the Utilities Board (Board) designed to reduce certain wholesale rates. An additional revision was filed on May 21, 2002. Qwest requested an effective date of June 7, 2002.

These rates are expected to be included in any filing that Qwest would make to the Federal Communications Commission (FCC) for approval, pursuant to 47 U.S.C. § 271, of Qwest's provision of interLATA service originating in region. Qwest filed a notice of updated statement of generally available terms and conditions (SGAT), which included these new wholesale rates on May 24, 2002.

Pursuant to an order of the Board, comments concerning this tariff filing were made on an abbreviated schedule. AT&T Communications of the Midwest, Inc., and AT&T Local Services on behalf of TCG Omaha (AT&T) filed an objection to Qwest's revision to its Iowa Tariff No. 5 on May 31, 2002, urging the Board to provide the opportunity for review of the revised tariff by the parties prior to the proposed

effective date, which it acknowledged would necessitate the need to postpone the proposed effective date. AT&T alleged that the tariff revisions not only provided for some lower rate elements, but also added "many" unbundled network elements (UNE), which might ultimately cause a competitive local exchange carrier (CLEC) to pay higher overall wholesale rates. AT&T also voiced concern that the updated Exhibit A filed with Qwest's updated Statement of Generally Available Terms (SGAT) was not consistent with its tariff filing in this docket, noting that there appeared to be many additional rate elements which are not contained in the revised Iowa Tariff No. 5.

The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed its objection to the proposed tariff on May 31, 2002. Consumer Advocate requested the Board order Qwest to supplement its tariff filing, ordering it to explain whether and how the proposed rates are cost-based, and to provide the underlying data that might allow the Board and others to assess the accuracy of any such claim.

McLeodUSA Telecommunications Services, Inc. (McLeodUSA), filed its objection on June 5, 2002. McLeodUSA recommended the Board allow the proposed tariffs to go into effect on an interim basis and urged the Board to issue a show-cause order requiring Qwest to prove that its UNE prices should not be further reduced. On June 6, 2002, MCI Metro Access Transmission Services, Inc., joined in the filed objection of McLeodUSA.

Crystal Communications, Inc. d/b/a HickoryTech (HickoryTech), and NexGen Integrated Communications, L.L.C. (NexGen), each filed opposition to AT&T's objection on June 5, 2002. Both HickoryTech and NexGen expressed concerns about potential negative impacts of the changes to Tariff No. 5, but were more concerned with the immediate benefit of allowing the reduced rates to go into effect as soon as possible.

Qwest responded to the objections of AT&T and Consumer Advocate in its response dated June 5, 2002. In response to AT&T's allegations, Qwest asserted that its tariff filing did not add any new rate elements, but simply reduced the rates for certain key rate elements in Iowa, including those in the UNE platform. In its updated Exhibit A, Qwest contends there are only three minor changes to the previous SGAT. First, Qwest included rates for a category of little-used rate elements for which no rates had been set before. The other two changes were simply to correct the omissions of rates from the prior SGAT Exhibit A that were previously ordered by the Board in Docket No. RPU-96-9. Qwest also pointed out that new rate elements are constantly arising in the telecommunications industry as new products are requested, and devised, in the course of doing business.

Qwest suggested that by allowing the rates to become effective June 7, 2002, while reserving the ability to examine them thereafter in a formal proceeding, the Board could also address the concerns raised by Consumer Advocate. Qwest requested the Board permit the rates, as reflected in the updated SGAT, Exhibit A, to

become effective pursuant to 47 U.S.C. § 252(f)(3)(B) and (4), which would not prejudice any party's right to challenge them in any proceeding the Board may order.

It appears that the newly-proposed rates for UNEs and local interconnection service (LIS) elements, are all less than, or equal to, rates previously approved by the Board, with the exception of non-recurring charges for DS3-Type facilities. The lower rates would, as noted by HickoryTech and NexGen, provide an immediate benefit to those CLECs currently purchasing these services from Qwest. Further, there is no apparent harm in permitting these lower rates to become effective as of June 7, 2002.

IT IS THEREFORE ORDERED:

The revised Iowa Tariff No. 5 filed by Qwest Corporation on May 16, 2002, with additional revisions filed May 21, 2002, are approved, subject to complaint or investigation, to be effective June 7, 2002.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 7th day of June, 2002.